

EMPLOYEE WITHHOLDING TAX ALLOWANCE (WTA) AGREEMENT

THIS COMPLETED FORM MUST BE ATTACHED TO THE TRAVEL ORDER AUTHORIZING A
PERMANENT CHANGE OF STATION

The Withholding Tax Allowance (WTA) is an advance estimated partial payment of the Relocation Income Tax (RIT) Allowance.

The following two types of reimbursements are now a part of the total RIT allowance:

- The WTA (a Year 1 allowance), which is calculated each time nondeductible (taxable) moving expense reimbursements are made.
- The RIT (a Year 2 allowance), which is to reimburse eligible employees for the additional tax liability (Federal, State, and local), not covered by the Year 1 WTA.

Failure to sign this agreement will preclude CDC's payment of the WTA, but will not preclude payment of the RIT allowance.

As required by the Federal Travel Regulations, and so that CDC can reimburse me the WTA, I agree to:

- Repay any amounts of WTA which exceed the total RIT allowance to which I am entitled.
- Submit the required certified tax information and claim for the RIT allowance no later than June 1 of the year following reimbursement of the WTA.

Employee's Signature

Date

DEFINITIONS

WTA - The WTA is an estimated partial payment of the Relocation Income Tax allowance, is considered income, and is reported on IRS Form W-2. The WTA is calculated in Year 1 to cover the employee's Federal tax withholding obligation. It is equal to the Federal withholding tax obligation incurred by the employee on covered moving expense reimbursements and on the WTA itself.

YEAR 1 - The calendar year in which reimbursement or payment for moving expenses is made to or for the employee. If an employee's reimbursement for moving expenses is spread over more than 1 year, he/she will have more than one Year 1.

YEAR 2 - The calendar year following the reimbursement year in which the employee files a tax return reflecting his/her liability for income received in Year 1. The Relocation Income Tax (RIT) allowance is calculated in Year 2 and paid to cover any additional tax liability resulting from moving expense reimbursements received in Year 1, not covered by the WTA paid in Year 1. This final amount is also considered taxable income and is reported on IRS Form W-2.